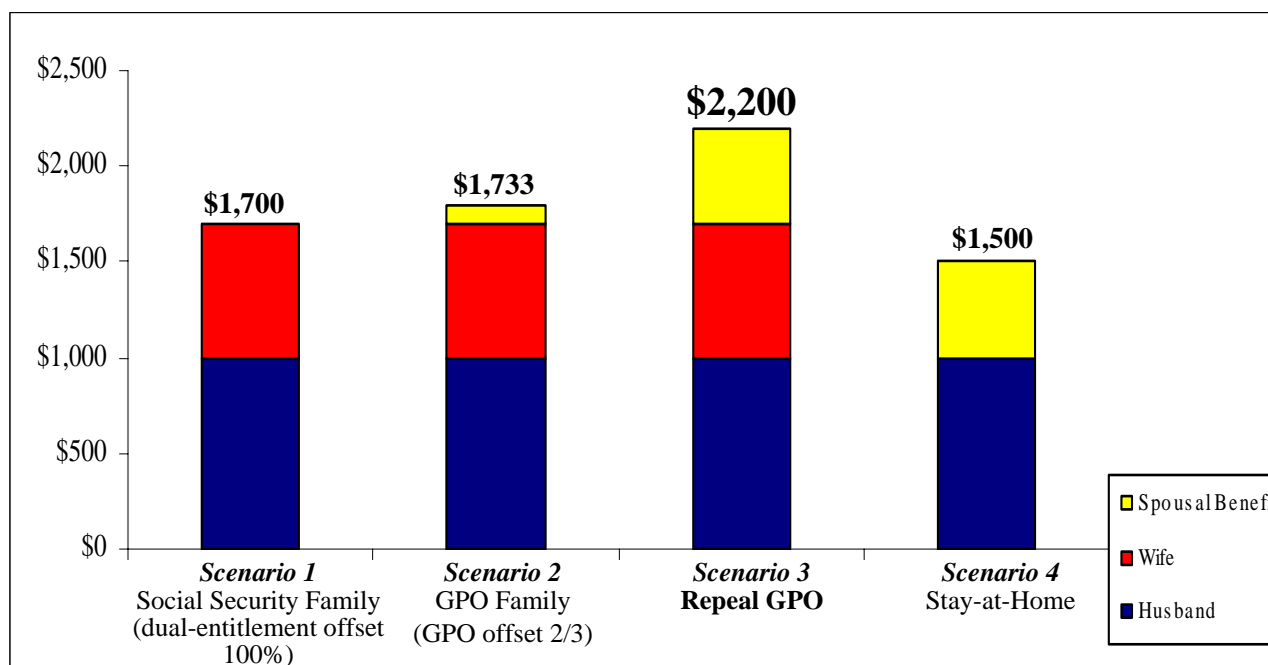


GPO Comparison – Graph 1

Spousal Benefits - Identical Families

Both Individuals Retired & Living



Spousal Formula

Wife's Benefit = Wife's retirement + 50% of Husband's benefits - dual entitlement [(100% offset) or GPO (2/3 offset)]

Source: Committee on Ways and Means, Subcommittee on Social Security

This graph shows the comparison of families with the same pension benefits, but differing circumstances. This situation assumes that the husband is retiring with a \$1,000/mo Social Security benefit (which would entitle the wife to a \$500/mo, or 50% spousal benefit). At the same time, the wife has a monthly retirement of \$700/mo.

Scenario 1 is the family where both adults paid into Social Security. The wife's spousal benefit of \$500 is offset dollar-for-dollar by her own retirement benefit of \$700. This means that the total family benefit is \$1,700.

Scenario 2 is one where the GPO affects the wife. In this situation, her \$500 spousal benefit is offset by only 2/3 of her \$700 benefit, \$466. She therefore receives a spousal benefit of \$33 in addition to her pension. This gives the total family a benefit of \$1,733.

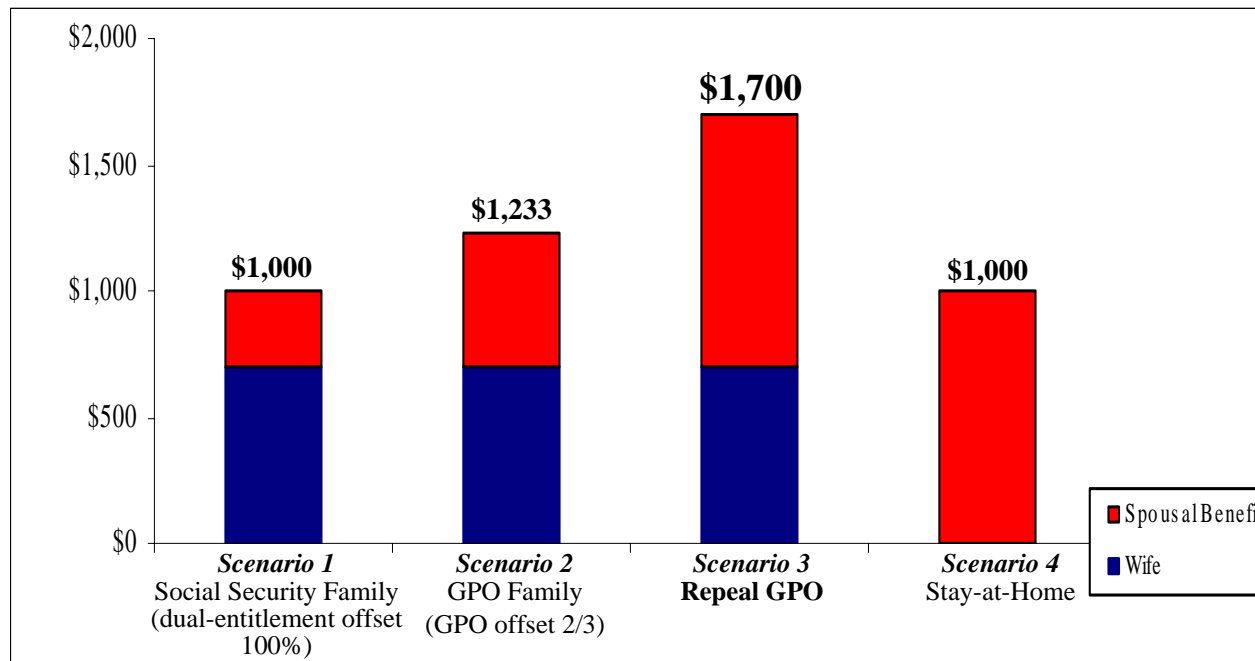
Scenario 3 would take place in the event of a repeal of the GPO. If this were to happen, the wife would collect her pension along with her entire spousal benefit without offset. This would give the family a total benefit of \$2,200. This would be \$500 more than every other family.

Scenario 4 is that of a one income family where the stay-at-home wife receives the full spousal benefit because she has no other pension by which it could be offset, giving a total family benefit of \$1,500.

GPO Comparison – Graph 2

Spousal Benefits - Identical Families

Husband Deceased



Spousal Formula

Wife's benefit = 100% Husband's benefits - dual entitlement [(100% Offset) or GPO (2/3 offset)]

Source: Committee on Ways and Means, Subcommittee on Social Security

This graph assumes the same retirement benefits, but the husband is deceased. (Husband had \$1,000/mo Social Security benefit and the wife has a monthly retirement of \$700/mo.) In this scenario, the wife is eligible for 100% of his benefits, pending the appropriate offset.

Scenario 1 is the family where both adults paid into Social Security. The wife's spousal benefit of \$1,000 is offset dollar-for-dollar by her own retirement benefit of \$700. This means that her total benefit is \$1,000 (her \$700 pension plus a \$300 spousal benefit).

Scenario 2 is one where the GPO affects the wife. In this situation, her \$1,000 spousal benefit is offset by only 2/3 of her \$700 benefit, \$466. She therefore receives a spousal benefit of \$533 in addition to her pension. This gives the total family a benefit of \$1,233 (\$700 + \$533).

Scenario 3 would take place in the event of a repeal of the GPO. If this were to happen, the wife would collect her pension along with her entire spousal benefit without offset. This would give the family a total benefit of \$1,700, which would be \$700 more than every other family.

Scenario 4 is that of a one income family where the stay-at-home wife receives the full spousal benefit because she has no other pension by which it could be offset, giving her a total benefit of \$1,000.